

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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June 3, 2003

FROM: KEN A. MILLER, Director
Department of Public Works - **Solid Waste Management Division**

**SUBJECT: AUTHORIZATION TO AMEND STANDBY LETTER OF CREDIT FOR THE
SAN GABRIEL VALLEY WATER COMPANY**

RECOMMENDATION: Authorize the Division Manager of the Solid Waste Management Division (SWMD) to sign and deliver to the Bank of America any documents necessary, including an application, for Amendment to Standby Letter of Credit for the San Gabriel Valley Water Company (SGVWC) in the amount of \$480,900 for the period of July 1, 2003, to June 30, 2004.

BACKGROUND INFORMATION: On November 10, 1998, the Board of Supervisors approved Agreement 98-947 with the SGVWC to settle claims that leachate from the Mid-Valley Landfill had impacted its drinking water wells. Provision 10(a) of the agreement requires that each year the County post a letter of credit for 125% of that year's operations costs to assure SGVWC of payment in the event of a dispute over operations issues. SGVWC has submitted an operations cost of \$384,720 for the period of July 1, 2003, to June 30, 2004; and, accordingly, the amount of the County's letter of credit needs to be \$480,900. SWMD staff has reviewed the operations cost estimate of SGVWC and has determined that it is reasonable. SGVWC submitted an operations cost of \$469,200 for the period of July 1, 2002, to June 30, 2003; and the letter of credit for that period of time was \$586,500. The decrease in the estimated annual operations costs from Fiscal Year 2002-03 is a result of SWMD staff meeting with SGVWC to make the annual operations cost estimate more reflective of actual, historical costs

Approval of this item will authorize the SWMD Division Manager to sign and deliver to the Bank of America all appropriate documents necessary to obtain the required Standby Letter of Credit for and during the period of July 1, 2003, to June 30, 2004, in an amount not to exceed \$480,900.

REVIEW BY OTHERS: This item was reviewed by Robert L. Jocks Deputy County Counsel on May 12, 2003, and the County Administrative Office (Norm Kanold, Associate Administrative Officer) on May 23, 2003.

FINANCIAL IMPACT: This action will have no impact on the General Fund. Fees related to the Letter of Credit will be approximately \$5,300 and are contained in the SWMD's Fiscal Year 2002/2003 Budget - Fund: EAA Dept: SWM Org: SWM Appr: 200 Obj: 2427.

SUPERVISORIAL DISTRICT(S): All.

PRESENTER: Peter H. Wulfman, 386-8703.

Record of Action of the Board of Supervisors

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